

Message Text

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ACTION IO-13

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INFO AMEMBASSY BERN

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USMISSION GENEVA

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FODAG

E.O. 11652: N/A

TAGS: AORG, EAGR, FAO

SUBJECT: FAO PROGRAM OF WORK AND BUDGET FOR 1978/79

REF: ROME 8746

1. THE GENEVA GROUP ROME HAD A GENERAL DISCUSSION OF THE FAO BUDGET ALONG WITH A DISCUSSION OF US PROPOSALS TO ELIMINATE THE TECHNICAL COOPERATION PROGRAM (TCP), SEE REFTEL. BASIC LIMITED OFFICIAL USE

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DISCUSSION WAS ON BASIS OF SUBCOMMITTEE PAPER PREPARED BY DUTCH WHICH IS BEING HAND-CARRIED TO WASHINGTON BY WOLF, IO/AGR, ENTITLED CRITICAL ANALYSIS OF FAO SUMMARY PROGRAM OF WORK AND BUDGET 1978/79. GROUP GENERALLY ENDORSED PAPER. SPECIFIC POINTS FOLLOW.

2. ON OVERALL FAO BUDGET LEVEL OF \$206.8 MILLION FOR 1978/79,

FRENCH POINTED OUT MAIN POINT IS TO RESTRICT BUDGET GROWTH. PROPOSED FAO BUDGET INCREASE IS WELL OVER PREVIOUS FRENCH PROPOSAL TO LIMIT ABSOLUTE GROWTH TO NO MORE THAN 10 PERCENT. JAPAN ALSO STRESSED CONCERN OVER RATE OF FAO BUDGET GROWTH. SWITZERLAND HAS NOT FINISHED ITS REVIEW OF FAO BUDGET, BUT BELIEVES \$206.8 MILLION FIGURE IS TOO HIGH. ITALY IS VERY WORRIED ABOUT BUDGET LEVEL AND RATES OF INFLATION USED TO COMPUTE BUDGET.

3. CANADA BELIEVES 6.8 PERCENT REAL INCREASE IN FAO BUDGET IS TOO HIGH. THIS IS ESPECIALLY TRUE WHEN ONE RELATES IT TO WHO'S 2 PERCENT REAL INCREASE AND EVEN MORE WHEN ONE REALIZES THE FAO BIENNIUM BUDGET IN FOUR YEARS HAS INCREASED FROM \$103 MILLION IN 1973 TO \$206 MILLION IN 1977. IN FACT 6.8 PERCENT IS NOT THE REAL RATE OF GROWTH SINCE ONE SHOULD ADD THE PROPOSED CARRYOVER OF TCP FUNDS AND THE SUSPENSE ACCOUNT. IF ONE ADDS THESE SUMS TO \$206.8 MILLION THEN THE INCREASE IS OVER 10 PERCENT REAL GROWTH.

4. ALL COUNTRIES THAT SPOKE WERE AGAINST USE OF THE SUSPENSE ACCOUNT TO FUND A SPECIAL FUND FOR POST-HARVEST LOSSES. HOWEVER, THE SWEDES WERE MORE WORRIED ABOUT A NEW SPECIAL FUND THAN RETURN OF SUSPENSE ACCOUNT MONEY. SWEDES POINTED OUT NEW POST-HARVEST LOSS FUND WOULD IN EFFECT BE ANOTHER FAO FUND FOR GRANTING TECHNICAL ASSISTANCE IN A SPECIFIC SECTOR. FRANCE OPPOSED USE OF SUSPENSE ACCOUNT AND CREATIN OF SPECIAL FUND FOR POST-HARVEST LOSSES. CANADA SAID IT SUPPORTED U.S. PROPOSAL TO OPPOSE USE OF SUSPENSE ACCOUNT FUND TO FUND A POST-HARVEST LOSS PROGRAM. UK BELIEVES A DEAL WILL BE LIMITED OFFICIAL USE

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NECESSARY UNDER WHICH DIRECTOR GENERAL WOULD RETURN SUSPENSE ACCOUNT FUNDS WHILE MAJOR CONTRIBUTORS PROMISED TO FUND A POST-HARVEST LOSS PROGRAM. A NUMBER OF COUNTRIES OBJECTED TO SUCH A DEAL.

5. ONE THE DUTCH PAPER, A CRITICAL ANALYSIS OF FAO SUMMARY PROGRAM OF WORK AND BUDGET, THERE WAS GENERAL AGREEMENT THOUGH NOT ALL MEMBERS HAD STUDEIED IT IN DEPTH. SOME COUNTRIES QUESTIONED THE COST OF EXPENSES OF COUNTRY REPRESENTATIVE OFFICES. IT WAS THOUGHT SAOUMA'S ATTEMPT TO GET HOST COUNTRY TO PAY SOME COSTS WAS FACTOR EXPLAINING SLOWNESS OF APPOINTING COUNTRY REPRESENTATIVES. FAO MIGHT BE QUESTIONED ON THIS.

6. THE DEFINITION OF TECHNICAL COOPERATION, PAGE 3 OF REPORT, WAS DISCUSSED AT SOME LENGTH, SEPTEL, BUT GROUP FELT LAST FOUR PARAGRAPHS OF 2.3 ON PAGE 3 WERE A GOOD STATEMENT OF PROBLEM.

7. RESOURCES ALLOCATED TO INVESTMENT SECTION PAGE 3 WAS COM-MENDED, BUT IT WAS NOTED THAT INVESTMENT COMPONENT OF TCP

COULD ADD \$4-5 MILLION TO THESE FIGURES.

8. THE UK ASKED ABOUT THE FUTURE OF THE INTERNATIONAL FERTILIZER SUPPLY SCHEME. THE UK AND SWITZERLAND, BOTH BIG DONORS, ARE THINKING ABOUT CUTTING THEIR CONTRIBUTIONS. HOWEVER AUSTRALIA AND NEW ZEALAND BOTH ARE THINKING ABOUT NEW CONTRIBUTIONS WHILE SWEDEN AND THE NETHERLANDS WILL CONTRIBUTE ON A PROJECT BASIS WHEN ALL FAO FERTILIZER PROGRAMS ARE PUT TOGETHER.

9. UNDER SUPPORT SERVICES, PAGE 11, A NUMBER OF COUNTRIES BELIEVED THE COST OF SUPPORTING GROUP OF 77 MEETINGS, TRANSLATION OFFICE SPACE AND SECRETARY, SHOULD BE MORE CLOSELY EXAMINED. GARDNER

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